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Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 NEA-11 EUR-25 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 SAM-01 DPW-01 IO-14 DRC-01 /145 W
---------- 068901
R 161010Z FEB 74
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC 1790

C O N F I D E N T I A L SAIGON 2104

EO 11652: GDS
TAGS: MARR VS
SUBJ: ICCS FINANCIAL CRISIS

1. LOCAL MANAGER FEC HAS PROVIDED EMBOFF WITH DRAFT OF LETTER HE INTENDS PRESENT ICCS EARLY NEXT WEEK. LETTER CONSTITUTES TWO-BARREL OPENING GUN, FIRST THREAT IS TO SUSPEND SERVICE ON OR ABOUT FEB 19 BOTH BECAUSE OF NON-PAYMENT OF BILL SUBMITTED FEB 5 AS WELL AS INADEQUATE PROVISION TO GUARANTEE FUTURE PAYMENTS.

2. MANAGER SUGGESTED THIS PORTION OF DRAFT LETTER MIGHT BE OMITTED IF ICCS CAME THROUGH WITH PAYMENT MONDAY, FEB 18. HOWEVER, HE INTENDS SEND A LETTER ANYHOW IN REGARD TO CINTINUATION OF FEC CONTRACT BEYOND MARCH 6. IN THIS PORTION OF LETTER, FEC IS ASKING FOR FORMAL LETTER REQUESTING QUOTE SATISFACTORY UNQUOTE GUARANTEE OF PAYMENT. IF THAT NOT RECEIVED BY FEB 20, FEC WILL GIVE NOTICE TO EMPLOYEES AND IMPLEMENT OTHER TERMINATION PROCEDURES.

3. EMBOFFS POINTED OUT THAT SUCH A LETTER INCLUDING ONE OR BOTH OF THE THREATS WOULD PROVIDE ICCS, PARTICULARLY HUNGDEL AND POLDEL, WITH IRON-CLAD EXCUSE TO WITHDRAW FROM ICCS SITES. MANAGER IS AWARE OF THIS, BUT SAID HIS INSTRUCTIONS FROM HOME OFFICE LEFT HIM NO ALTERNATIVE. EMBOFFS POINTED OUT THAT ICCS COULD NOT OFFER ANY SORT OF REAL GUARANTEE ON FUTURE PAYMENTS IN THE ABSENCE OF FURTHER CONTRIBUTIONS FROM FOUR PARTIES. MANAGER HINTED THAT PERHAPS HOME OFFICE INSTRUCTIONS COULD BE CHANGED ON
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BASIS OF DEPARTMENT'S REPRESENTATION TO HOME OFFICE. HE

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SUGGESTED DEPARTMENT MIGHT WISH TO CONTACT JOE HABER, VICE-PRESIDENT FOR CONTRACTS, OR LINK BROWN, PRESIDENT OF FEC, 161 INDUSTRIAL WAY, PARAMUS, NEW JERSEY.

4. COMMENT: EMBOFFS HAVE BEEN TRYING TO GET ICCS INCLUDING DIRGEN NUR TO FOCUS ON THIS PROBLEM FOR SOME TIME AND THERE IS SOME POSSIBILITY NUR HAS IN THE WORKS NOW A LETTER TO ALL CONTRACTORS ASKING THEM TO CONTINUE SERVICES ON BASIS PRESENT CONTRACTS.

5. FEC PRESENTS SPECIAL PROBLEM. TOTAL SIZE OF CONTRACT IS NOT OF MAGNITUDE OF CONTRACTS ICCS HLDS WITH AIR AMERICA AND PA&E. HOWEVER, ICCS HAS LONG CONSIDERED SECURE COMMUNICATIONS SYSTEM IN VIETNAM TO BE BASIC INGREDIENT IN DEPLOYMENT TO SITES AND, IF THIS IS JEOPARDIZED WE EXPECT HUNGDEL AND POLDEL WILL IMMEDIATELY PLAN TO EVACUATE SITES. MARTIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: FINANCIAL CRISIS, TRUCE OBSERVERS, FINANCIAL CONTRIBUTIONS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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Executive Order: GS
Errors: N/A
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Original Previous Handling Restrictions: n/a
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Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
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Review Event:
Review Exemptions: n/a
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To: STATE
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